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C O N F I D E N T I A L LA PAZ 000635

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SUBJECT: BOLIVIA: "TERRORISM" EXCUSE FOR MASS ARRESTS?

REF: A. LA PAZ 600

[¶B.](#) LA PAZ 593

Classified By: A/EcoPol Chief Joe Relk for reasons 1.4 (b, d)

[¶1.](#) (C) Summary: The Morales administration may use an April 16 police team raid in opposition-dominated Santa Cruz, in which police shot and killed three alleged terrorists, arrested two more, and reportedly found a separate weapons cache (Reftels A, B), to initiate arrests of the political opposition. On April 28, the government arrested two additional suspects and identified more, one of whom is an Embassy contact and leader of a human rights NGO. Some opposition members speculated that Vice President Alvaro Garcia Linera and Presidency Minister Juan Ramon Quintana orchestrated the April 16 raid to provide a rationale for such arrests. Post's Cruceno contacts did not return repeated calls. Government targets reportedly include ex-Civic Committee President Branko Marinkovic, Prefect Ruben Costas, and leaders of CAINCO (Santa Cruz Chamber of Trade and Industry). Quintana and Defense Minister Walker San Miguel provided conflicting reasons for ordering some 1,500 troops to Santa Cruz department (state), further raising Cruceno suspicions of government actions. While Costas has called for calm, some Crucenos are reportedly forming fighting groups. Government-aligned media have reported on potential USAID and CIA involvement with the alleged terrorists. End summary.

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More Terrorists?  
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[¶2.](#) (U) On April 28, police arrested two more men, one of them an ex-security advisor to the Cruceno Youth Union (UJC) Juan Carlos Gueder Bruno and the other Alcides Mendoza Masavi, alias "Commander Mojeno." Police said the two arrested men had supplied arms to the alleged terrorists. Police also said they believed there were three other terrorist cell members involved, largely based on an interview Rozsa gave before leaving Hungary, in which he said "only five people know of my arrival (in Santa Cruz)." According to Gueder Bruno's wife, the police did not show an arrest warrant, as required by law.

¶3. (C) A report in leading local daily La Razon also cited the release of an arrest warrant for human rights lawyer Hugo Acha Melgar, husband of opposition alternate Congress member Roxana Gentile (UN party). PolOffs met twice with Acha in Santa Cruz, who was investigating the September 2008 Pando conflict in his capacity as head of Human Rights Foundation - Bolivia, an affiliate of the larger Human Rights Foundation group. He was preparing a report detailing a high degree of Morales administration involvement to provoke violence in Pando. Acha confided to PolOffs that he was under constant threat by groups affiliated with the ruling Movement Toward Socialism party (MAS), and that he was unable to travel to La Paz for fear of arbitrary detention. Acha gave MILGP a copy of a late 2008 warrant issued for his arrest, which he said was related solely to his continued Pando investigations. According to Gentile, Acha is currently in the U.S.

¶4. (U) Police also identified Alejandro Melgar Pereira as a member of the terrorist cell and the purchaser of a vehicle for Rozsa, which was supposedly sighted at Cardinal Terrazas' home the night of the April 14 bomb explosion. The car had been the property of Carlos Guillen, president of popular Santa Cruz company Blooming. Melgar, reportedly in hiding, was president of the Center for Arbitration and Reconciliation for CAINCO, Santa Cruz's Chamber of Trade and Industry, from 1997 to 2001 and president of Cotas from 2000 to 2001. Police said he had aliases of "El Viejo, Superman, and Lucas." According to CAINCO, Melgar is currently on their list of recommended lawyers, but holds no official position.

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"Proofs" of Terror Cell  
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¶5. (U) While the government has asserted it recovered large amounts of information in the April 16 raid, it said it has released only "10 percent" of its information. Thus far, the government's statements have been limited to assertions and two contested "proofs," detailed below.

¶6. (U) Government Minister Alfredo Rada first presented on April 22 a series of pictures which he stated showed Cruceno right-wing activist Mauricio Iturri practicing shooting in a terrorist training camp with a large group of well-organized paramilitaries. Rada said Iturri was connected with Rozsa's terrorist cell. However, news quickly leaked that not only was Iturri not actually in the picture, but the pictures were downloaded by Rada from the popular website Facebook and showed only a team of paintball players. The government subsequently removed Rada from the case.

¶7. (U) On April 26, government investigator Sosa held a press conference in which he showed images taken from a cell phone video purportedly showing Rozsa, Magyarosi, and Dwyer talking about the possibilities of killing President Morales. Sosa said the three were discussing how to throw explosives and about a missed opportunity to blow up a ship in Lake Titicaca where government officials had met. Sosa concluded that "with this evidence it is confirmed that the dismantled gang came to the country with terrorist purposes" and termed their goal "magnicide" (i.e. assassination of a king or ruler). However, according to press reports, while it does appear the three are captured in the video, the video's soundtrack is almost completely unintelligible. Sosa said he would soon unveil the source of the video, whom press reports guessed was Rozsa's chauffeur, but that he was "gravely ill" with diabetes and therefore could not appear publicly.

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Troops Sent to Santa Cruz  
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¶8. (U) Presidency Minister Quintana and Defense Minister Walker San Miguel confirmed April 27 that 1500 troops had been sent to Santa Cruz department, but they gave conflicting reasons for their presence. Quintana said the troops had

been sent in response to the "terrorism outbreak," while San Miguel said the only reason was to reinforce the borders against increased narco-trafficking. Other news reports said 40 percent of the Bolivian armed forces were now concentrated in the department. According to official reports, troops were being sent to Santa Cruz frontier zones, including San Jose de Chiquitos, San Matias, and Robore.

**¶19. (C)** According to April 27 reporting from Santa Cruz, troops were moving in the department, but it was impossible to verify the number and their destinations. Some interviewed said there were as few as 250, while others confirmed the number of troops was 1500 and that of these 300 had riot control gear. Sources reported that Crucenos are developing fighting/defense groups and are equipped with weapons such as long rifles and hand guns.

**¶10. (U)** Santa Cruz Prefect Ruben Costas issued a call to "maintain the peace" and said the only purpose for the increase in troops in the department "was to frighten the public." Santa Cruz is currently calm.

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Rumors Run Rampant  
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**¶11. (C)** Post has reached out to several contacts in Santa Cruz, including CAINCO and Civic Committee members, but none will return our calls, at least directly. At CAINCO, only secretaries are "available," while at the Santa Cruz Civic Committee, phones are simply off the hook. Many Crucenos believe the central government has tapped their phones.

**¶12. (C)** In meetings in La Paz, a contact who said he was close to Branko Marinkovic and other Cruceno leaders told Poloff that Vice President Garcia Linera and Presidency Minister Quintana had planned the entire sequence of events over the last six months, including the recruitment of Rozsa's group to "get Branko," Costas, and others. However, he was not able to further source the rumor. According to an article in Spanish newspaper El Pais (reprinted in local Bolivian press), a source called "Comandante Gonzalo" also said the Bolivian government had hired Rozsa in August 2008.

**¶13. (C)** There is also rampant speculation about President Morales' traditional May 1st speech, in which he is expected by many to announce nationalization of companies based in Santa Cruz, potentially including Cotas or food industries. If the latter, many expect Branko Marinkovic's cooking oil and other companies to be taken in the name of "food security."

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Rumors Fueled by Public Statements  
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**¶14. (U)** The rumor mill has been fueled by public statements by the government and affiliated social groups. On April 26, President Morales said he had asked his legal advisors to draw up a supreme decree allowing the government to confiscate goods from businesses and their owners linked to terrorism. Constitutional experts were in general agreement that the new constitution does not permit such seizures, but Vice President Garcia Linera said "one of the basic principles of the constitution is the unity of Bolivians... who are directed to sanction those who seek to create material and violent conditions to separate the country." Further, state news cited the 2002 Organization of American States (OAS) Convention Against Terrorism, which the newscast said approved confiscation of property from terrorists.

**¶15. (U)** The same day, social group leader Isaac Avalos accused ex-Civic Committee President Branko Marinkovic of hiring the group of alleged terrorists. Avalos said he did not have any proof, but that "several campesinos" had told him they recognized Rozsa from past public acts in which Marinkovic participated as Committee president.

**¶16.** (U) On April 28, the prosecutor's office reported they would announce a list of people who had provided economic assistance to the alleged terrorists within 48 hours. Vice President Garcia Linera said the state would be "merciless" with those behind the plot.

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USG Also Targeted?  
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**¶17.** (U) A day earlier, on April 27, government-aligned news service Bolpress published a report on a supposed complex international web of support for the alleged terrorist cell. The article cited Vice President Garcia Linera as requesting Argentinean collaboration to find former members of the "carapintadas" (members of the Argentine army who rioted against the government as part of the country's "Dirty War") affiliated with Rozsa, including one Jorge Mones Ruiz. Mones Ruiz, according to the article, came to Bolivia in December 2008 as part of the Colombian foundation "UnoAmerica," an "ultra-right group" associated with the Heritage Foundation and dependent on the CIA for funding. The article states that "UnoAmerica" is supported by USAID and the National Endowment Foundation (NED), which it calls the "social face" of the CIA and a major funder of opposition movements in

South America.

**¶18.** (U) Also on April 27, President Morales (somewhat cryptically) identified the U.S. as "the source of my troubles," and said "the people will rise above" attempts by any outside force "to humiliate the Bolivian government." On the other hand, in its April 26 editorial, state newspaper Cambio trumpeted offers to help in the search for the terrorists, specifically including a statement by Charge and members of the OAS.

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Background: April 16  
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**¶19.** (U) At approximately 4 a.m. on April 16, members of an elite police force raided a room on the fourth floor of the Hotel Las Americas in downtown Santa Cruz. After instructing the hotel staff to turn off all security cameras, the police stormed hotel rooms of five men, killing three and arresting two others. The three killed were Eduardo Rozsa Flores, a Bolivian with multiple passports including Hungarian and Croatian; Michael Dwyer, Irishman; and Arpad Magyarosi, a Romanian of Hungarian descent. The police captured Mario Tadic Astorga, a Bolivian of Croatian descent, and Elod Toaso, a Hungarian. Initial reports, including a statement from Vice President Garcia Linera, indicated there was a 30-minute gun battle between the police and the alleged terrorists, but Hungarian Ambassador to Argentina Matyas Jozsa said he believed the three were simply executed, without any fight. Later press reports stated that an examination of the hotel rooms showed no bullet holes in the facing wall, and that one of the three was found in the morgue with his hands bound.

**¶20.** (U) The same morning, police investigations turned up a supposed weapons cache in the Santa Cruz EXPOCRUZ fairgrounds, in the stand of telephone cooperative Cotas. one of Santa Cruz's leading companies. The weapons cache at first reportedly included pistols, dynamite, C4 explosives, and ammunition corresponding to 5.56mm weapons. Vice President Garcia Linera commented that some of the weapons were not available in Bolivia and were evidence of an international conspiracy. Through this discovery, police linked the captured men to an April 14 explosion at Cardinal Julio Terrazas official residence in Santa Cruz and a March 29 attack on Deputy Autonomy Minister Saul Avalos' Santa Cruz home, in which the police reported the same kind of explosives were used. However, in later news reports Defense Minister Walker San Miguel was quoted as saying that many of the weapons were stolen from a Bolivian military station on

the Paraguay border in December 2008, while other media reported that many of the weapons were antique and unusable, with some from the War of the Chaco in the mid-1930s.

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Toaso Beaten?  
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¶21. (U) According to an April 28 statement by the Defensor del Pueblo (human rights ombudsman), Elod Toaso was severely beaten and abused during his arrest. A website, [www.toasoelod.com](http://www.toasoelod.com), showed pictures of his injuries to his face, arms, and legs. Ambassador Jozsa said he had seen Toaso personally, and that he had been beaten. Jozsa added that Hungarian investigations showed Toaso was "far from being a terrorist." State prosecutor Marcelo Sosa admitted he was not present during the arrests, even though the prosecutor's presence is required by Bolivian law. (Note: Investigators Sosa and Eduard Mollinedo are based out of La Paz, not Santa Cruz, as would normally be required, ostensibly because of the case's connections to terrorist activity. End note.)

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Comment  
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¶22. (C) While rumors of government recruitment of the alleged terrorists cannot be verified, the troop movements, accusations by MAS-aligned social groups, Garcia Linera's severe public statements, and the government's almost conspiratorial use of Facebook pictures and low-quality cellphone videos do seem to point toward a crackdown in Santa Cruz similar to the 2008 state of siege in Pando. Without a functioning judiciary, including the defunct Constitutional Tribunal, the Morales administration has a relatively free hand to move forward with large-scale arrests. Such actions could result in a severe backlash from Crucenos, who are nervous to the point of paranoia about Morales' motivations. We may know more within the next 48 hours, when troops will go to either frontier areas or closer toward Santa Cruz's capital, Morales will make his May 1st speech, and the prosecutor's office should release a fuller list of (Cruceno) suspects. We are also confused by somewhat contradictory comments regarding the USG by Morales and state-allied news sources, but note that the government has yet to make any explicit accusations regarding USG involvement with the alleged terrorists. End comment.

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